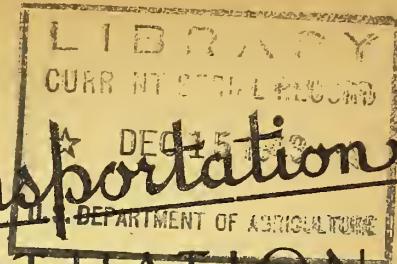


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THE Marketing and Transportation SITUATION



BUREAU OF AGRICULTURAL ECONOMICS
UNITED STATES DEPARTMENT OF AGRICULTURE

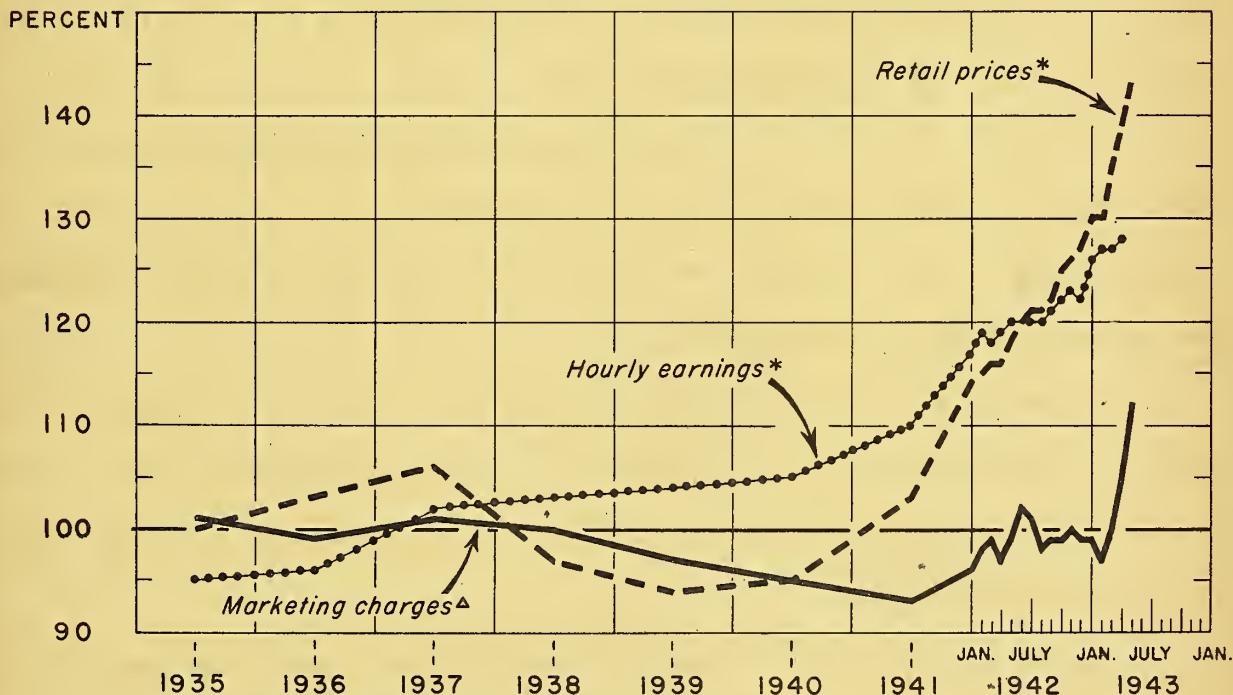
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BAE

JUNE 1943

MARKETING CHARGES AND RETAIL PRICES OF FARM FOOD PRODUCTS, AND HOURLY EARNINGS OF FOOD MARKETING EMPLOYEES, UNITED STATES, 1935-43

INDEX NUMBERS (1935-39 = 100)



* BASED ON DATA FROM BUREAU OF LABOR STATISTICS

△ SPREAD BETWEEN RETAIL PRICE AND FARM VALUE OF EQUIVALENT PRODUCE

U. S. DEPARTMENT OF AGRICULTURE

NEG. 43141 BUREAU OF AGRICULTURAL ECONOMICS

Charges for marketing a "food basket" of farm food products reached in May 1943 the highest level since early 1931, and were 12 percent higher than the 1935-39 pre-war average. Food marketing charges showed little tendency to rise during the war period until the second quarter of 1943, although hourly earnings of marketing employees rose about 30 percent above pre-war and retail prices were up 40 percent.

MARKETING AND TRANSPORTATION SITUATION

JUNE 1943

SUMMARY

Charges for marketing farm food products in May were the highest since January 1931. Marketing charges rose 6 percent from April to May, while retail food prices advanced about 3 percent and payments to farmers for equivalent produce showed no change.

During the three months, February to May, retail prices of farm food products rose 10 percent, payments to farmers rose 6 percent, and the marketing margin rose 15 percent. In May the farmer's share of the consumer's food dollar declined for the second month to 55 cents after reaching 57 cents in February and March, -- which was the highest since 1919.

Steps are being taken by various governmental agencies to insure an adequate supply of processed vegetables. The program is designed to assure fair returns for the canning industry and to restrict increases in prices to consumers for essential cost of living items.

Federally inspected slaughterers are required to set aside 45 percent of all steer and heifer beef they produce that meets army specifications, a little less than 20 percent of total beef slaughter. All custom slaughterers must be licensed after July 1.

Retail sales by independent grocery stores have increased much more since the advent of price control in 1942 than have sales by chain stores. Independent grocers' dollar sales in the first quarter in 1943 increased more than 30 percent over those for a year earlier, whereas during the same period sales of chain stores declined slightly. During the two years before Pearl Harbor chains greatly increased their business relative to that of the independents.

June 30, 1943

CURRENT DEVELOPMENTS IN MARKETING AND TRANSPORTATION

Canned vegetables program

The Director of Economic Stabilization announced on June 14 a series of steps to be taken by various governmental agencies to insure an adequate supply of processed vegetables. The program assures fair returns for the canning industry, at the same time preventing increases in the consumer prices of essential cost of living items. These items are green peas, snap beans, sweet corn, canned tomatoes and other primary tomato products. The Director's instructions, issued to the War Food Administration, the Office of Price Administration, and National War Labor Board are that: (1) no increases shall be made in the ceiling prices of canners; (2) ceiling prices shall be established for sales to Government agencies which will reflect current costs of raw materials and processing; (3) Commodity Credit Corporation will purchase and resell in accordance with the agreement entered into with the processing industry, with respect to the pack for civilian consumption; (4) under the hardship clause of the C.C.C. contracts, the Corporation will absorb that portion of the additional processing cost, represented by approved increased wage rates. Payments under this clause will be made at the close of the packing season as soon as the facts are available; (5) for minor vegetables, not essential items in the cost of living, approved increased raw material costs and approved wage increases, where necessary to assure to the processors the margins required by law, will be reflected in higher ceiling prices.

Federally inspected slaughterers required to set aside 45 percent of beef

Because Government purchasing agencies have been unable to purchase adequate supplies of beef to meet their urgent requirements, all livestock slaughterers operating under Federal inspection have been required since June 14, to set aside 45 percent of all the steer and heifer beef they produce which meets Army specifications, the War Food Administration says. (This amounts to a little less than 20 percent of total beef slaughter). The order applies to weekly production of beef and does not apply to inventories. This requirement is contained in Food Distribution Order No. 28.2, which follows the terms of a general set-aside order issued last spring. The general set-aside order was suspended to make more meat available at retail stores to help fill consumer requests under the rationing program. Lately the armed forces have had considerable difficulty in procuring their requirements for beef.

Retail sales by independent and chain stores

Sales by independent grocery stores recently have increased much more than those by chain stores. This was indicated by new indexes of retail food store sales developed by the Department of Commerce. These indexes show that independent grocers' dollar sales in the first quarter of 1943 increased more than 30 percent from the corresponding period a year earlier, whereas in the same period sales by chain stores declined slightly. These changes were in sharp contrast to those for the two years before Pearl Harbor when chain grocery stores, by speeding up their introduction of new merchandizing methods such as supermarkets and self-service, greatly increased their business relative to the independents.

Recent sharp rise in sales by independents in relation to those by chain stores may be accounted for at least in part by: (1) Maximum price regulations allowed the independents higher price ceilings, thus enabling them to pay more for scarce foods and to obtain more from the sources of supply than the chains; (2) Consumers with increased incomes were able and willing to pay the higher prices charged by independent stores; (3) Chains sold relatively more canned fruits and vegetables than independents and point rationing favored the purchase of fresh fruits and vegetables; (4) Independents have many more small and medium sized stores conveniently located to serve customers at a time when restrictions on gasoline encourage consumers to patronize neighborhood stores.

Dehydrated sweetpotatoes and carrots released from Food Distribution Order No. 30

The War Food Administration on June 9 removed sweetpotatoes and carrots from the list of dehydrated vegetables reserved for war needs, because prospective supplies appear sufficient to meet all requirements. Dehydrated Irish potatoes, beets, cabbage, onions and rutabagas remain on the reserved list and processors are required under Food Distribution Order No. 30 to set aside their production of these five products for military, Lend-Lease and essential civilian needs. Although future production of sweetpotatoes and carrots will not be reserved, processors are required to continue holding the stocks on hand on June 1 for delivery to the Government or alternative distribution by the Director of Food Distribution. Reporting requirements of the order remain unchanged for all seven vegetables.

Government wool order amended to facilitate marketing

Producers and pools of producers anywhere in the United States may now sell shorn wool direct to mills instead of to the Commodity Credit Corporation, as provided in an amendment to Food Distribution Order No. 50. The amendment, effective June 12, also exempts from all requirements of the order shorn wool produced in 19 Atlantic Coast and Cotton Belt States, for the reason that production in these States is too small to support a specialized wool trade. All provisions of the order on pulled wool remain in effect.

Changes in bread order announced

Revisions which tighten restrictions against "consignment selling" of bakery products, remove minimum milk requirements in white pan bread formula, set higher maximums for sugar and shortening, and otherwise change the bakery industry food order, were announced on June 19 by War Food Administration. The changes become effective July 1. They prohibit "consignment selling" of bakery products by making the grocer or dealer equally responsible with the baker. The revised white bread formula provisions allow bakers to use more sugars and shortening. Enrichment of all white bread is still required, but bakers will not be required to use a minimum of three parts of milk solids or skim milk in each 100 parts of flour. No more than 4 parts may be used.

Federal milk orders amended

An emergency price provision to prevent decreases in producer prices for fluid milk, resulting from the introduction of price roll-backs and subsidy programs, has been written into all Federal milk marketing orders. For all markets

except metropolitan New York, the amendments became effective June 21, The New York amendment became effective June 24. The amendments make it mandatory that any subsidy payments be included in computing classification prices and butterfat differentials. Thus producers' prices for milk will not be lowered by the prospective roll-back in butter prices. Also consumers' prices will not be changed.

Compressed food saves large space

Overseas shipments of compressed foods are increasing and within 6 months should represent a substantial share of total food shipments, says the War Food Administration. Compressing of foods, particularly those which have been dehydrated, is being expedited by the Food Distribution Administration to help meet the increasing pressure on shipping, warehousing, dock facilities, and inland transportation at destination points. High compression is achieved through a food press. This is not yet being done on a commercial basis, but is planned for the immediate future.

Measures aid use of harvesting machinery

The War Food Administration announced on June 12 two measures to assist grain farmers in the harvesting of 1943 crop through the widest possible use of custom-operated harvesting machinery. First, arrangements were made with the Office of Defense Transportation and Office of Price Administration to assure owners of custom-operated machinery sufficient gasoline and tires to run their equipment, especially itinerant combine operators who will soon be working in the wheat harvest. Second, a meeting of Department of Agriculture and State officials was held at Omaha, Nebraska, on June 17 to arrange for facilitating movement of custom-operated harvesting machinery into and out of wheat States.

Freight rates on used fruit, vegetable containers

The War Food Administration on June 7 asked five U. S. railroad freight associations to lower their rates on used containers returning from the North so that Southeastern fruit and vegetables growers may cope with a container shortage. Freight rates on used containers from the North into the Southeastern area bounded by the Mississippi, Ohio and Potomac Rivers, discourage the return movement of these containers to producing areas. Used containers are needed because of the decreased production of new containers resulting from the scarcity of wood and metals, and the increased demand for packages for war uses.

Recommended rail wage increases rejected

The wage increase of 8 cents per hour for nonoperating rail employees recommended by the emergency fact-finding board on May 25 was rejected by the Director of Economic Stabilization on June 23. The emergency board had been appointed by the President to consider and report upon the wage demands of the nonoperating workers. In filing its recommendations the board rejected the "Little Steel" formula of the War Labor Board, by the terms of which wage increases are limited to 15 percent above the level on January 1, 1941. (In its report, the board said that, although some of the workers involved in the case would be entitled to a wage increase under the formula, the increases received by all of them since January 1, 1941, already averaged about 16 percent). The

emergency board has been disbanded and the former chairman is now a member of the newly-created emergency board which is hearing the demands of the operating rail unions for an increase of 30 percent or 3 dollars per "day", i.e., per 100 or 150 miles run.

War Food Administration Stands Back of Potato Support

With large supplies of new crop potatoes coming into markets, the War Food Administration assures producers that it intends to provide full support to the potato market through purchase operations. Before the end of June, purchases were already under way in North Carolina, Texas, Oklahoma, and Arkansas, and will be extended to other areas if necessary. The potatoes are being purchased at prices announced last February, as equivalent to about 92 percent of parity. The WFA also will seek to divert shipments to areas that are not receiving their share of the supply. Potatoes are now coming to market in abundance and production in the southern producing regions is running about 35 percent larger than a year earlier.

Corn Stocks in Elevators Requisitioned

The War Food Administration announced on June 26 that it was requisitioning the corn stocks in 96 midwestern terminal elevators in a further effort to break the distribution jam that has prevented vital corn processing plants from obtaining supplies for feed and industrial products essential in the war. The requisitions are expected to result in Government procurement of a supply of corn sufficient to meet immediate industrial needs. The supply thus obtained will be allocated by the WFA under a plan to be announced.

Certification Required From Custom Slaughterers

The War Food Administration on June 28 issued new regulations to custom slaughterers which require them to have permits in order to do any custom slaughtering. They are also required to obtain a statement of information from the owner of the livestock to be slaughtered. The new provisions become effective July 1. The required statement-giving the owner's address, his slaughter permit number, the type and number of livestock killed and the total dressed and live weight, must be signed by the livestock owner and the custom slaughterer. Custom slaughterers may make application for permits to the County War Meat Committee.

War Food Administration Urges Ginnors to Obtain Bale Ties

The War Food Administration has urged cotton ginners to make plans immediately to obtain supplies of bale ties, and stressed particularly the use of reworked and used ties. A War Production Board conservation program requires the reworking and re-use of used bale ties to the fullest possible extent. This program is designed to conserve supplies of steel needed for war purposes.

FARM - RETAIL PRICE SPREADS, MAY 1943

May food marketing charges highest in 12 years

Charges for marketing a family food basket of domestic farm food products increased by more than 6 percent above the \$201 for April to reach \$214 in May. This is the highest level reached by food marketing charges since January 1931, and is 12 percent above the 1935-39 pre-war average. The "food basket" contains quantities of farm food products representing annual purchases of a typical workingman's family.

All of April-May retail increase goes to middleman

Payments to farmers for produce required to fill the "food basket" remained unchanged at \$261 from mid-April to mid-May. Retail cost to consumers rose by \$13, or 3 percent, to reach \$475 in May. None of the retail increase was passed back to the farmers, but the entire dollar increase was added to the farm-retail spread.

Farmer's share of retail food dollar declines for second month

The farmer's share of the consumer's dollar spent for domestic food products fell to 55 cents in May from 56 cents in April and the recent record high of 57 cents in February and March. The farmer's share of the dollar for the last 6 months has been the highest since the period immediately following World War I.

Prices and margins continue rapid advances for potatoes, sweetpotatoes, and apples

Among the items showing increases in retail prices and margins, certain fresh vegetables and fruits have been outstanding. The rise in retail price for sweetpotatoes was 41 percent from mid-April to mid-May (reaching 17.9 cents per pound); for white potatoes, 17 percent; and for apples, 22 percent. These gains following large price increases for the same items a month earlier.

Fresh fruits and vegetables, as a group, showed a retail price increase of 10 percent from April to May, while farm prices rose 7 percent and the marketing margin rose 12 percent. The farmer's share of the retail cost for these items dropped to 43 percent.

Meats advance at retail, decline at the farm

Beef, pork, and lamb as a group rose more than 1 percent at retail, while prices paid farmers for live animals declined and the average marketing margin rose by 8 percent. The farmer's share of the retail meat dollar declined to 68 cents for May.

The food marketing margin rising rapidly since February

During the 3 months from February to May the food marketing margin or farm-retail price spreads rose by 15 percent, from \$186 in February to \$214 in May. This occurred while retail value of the "food basket" advanced by \$43 or 10 percent, and payments to farmers for equivalent produce rose \$15 or 6 percent.

During the war period, the food marketing margin has seldom risen above the 1935-39 pre-war average, although by May 1943 retail prices of farm food products were 43 percent and farm prices 85 percent higher than 1935-39. In May the marketing margin was 12 percent above pre-war levels.

Which middlemen have benefited from the increased marketing margin? Wholesale price data are not entirely adequate to answer this question, but comparisons with wholesale food price trends reported by the Bureau of Labor Statistics suggest that most of the margin increase occurring since February went to retailers.

Food cost and income per consumer

New series comparing food costs with income for the average United States consumer were presented in the April - May issue of this report. Table 1 adds data for April 1943 and includes certain revisions in the previous data. Disposable income series are not shown.

In April 1943, actual food expenditure of the average United States consumer amounted to 19 percent of total income, or 29 percent of total consumer expenditures. Cost to consumers of the pre-war 1935-39 food basket remained at 16 percent of the average consumer's income but declined 1 point to 25 percent of the larger total expenditure for all goods and services.

Table 1.- Food cost and expenditures compared with total income per person, United States average 1/

Year and month	Food expenditures				Cost to consumer of fixed quantities of foods representing average annual consumption per person, 1935-39				
	Dollars	Dollars	Dollars	Percent	Dollars	Percent	Dollars	Percent	
1935-39 average	520	456	113	22	25	113	22	25	
1940	579	497	121	21	24	107	18	22	
1941	692	560	140	20	25	120	17	21	
1942	857	612	176	21	29	143	17	23	
Annual rates by months, seasonally adjusted									
1942	Jan.	2/779	617	168	22	27	134	17	22
	Feb.	2/787	591	160	20	27	136	17	23
	Mar.	2/797	554	162	20	29	138	17	25
	Apr.	2/817	591	165	20	28	139	17	24
	May	2/826	639	171	21	27	140	17	22
	June	2/846	589	169	20	29	142	17	24
	July	2/860	615	179	21	29	143	17	23
	Aug.	2/876	631	182	21	29	145	17	23
	Sept.	2/884	610	178	20	29	145	16	24
	Oct.	2/908	652	196	22	30	149	16	23
	Nov.	2/940	628	184	20	29	151	16	24
	Dec.	2/960	631	193	20	31	153	16	24
1943	Jan.	2/974	659	195	20	30	155	16	24
	Feb.	2/993	688	202	20	29	156	16	23
	Mar.	1012	629	208	21	33	162	16	26
	Apr.	1021	3/670	193	19	29	166	16	25

1/ See explanatory footnotes in original table (Table 1/, page 3, of the April-May issue of this publication)

2/ Revised.

3/ Preliminary.

Table 2.-Annual family purchases of 58 foods 1/

Year and month	Cost at	Paid to	Marketing	Farmers share of
	retail	farmers	margin	retail value
	Dollars	Dollars	Dollars	Percent
1913-15 average	236	135	121	53
1920	514	272	242	53
1929	415	195	220	47
1935-39 average	332	141	191	42
1940	314	132	182	42
1941	342	164	178	48
1942	398	209	189	53
1942-May	392	202	190	52
Junc.	398	203	195	51
July.	401	208	193	52
Aug.	402	215	187	53
Sept.	405	216	189	53
Oct.	414	224	190	54
Nov.	418	227	191	54
Dec.	423	234	189	55
1943-Jan.	430	241	189	56
Feb.	432	246	186	57
Mar.	448	257	191	57
Apr.	462	261	201	56
May	475	261	214	55

1/ Important food products produced by American farmers combined in quantities representing annual purchases by a typical workingman's family.

Retail price averages for 56 cities from U. S. Bureau of Labor Statistics.

Table 3.- Cottonseed - Farm-to-mill sales price spreads
and relative product values

Year	:Value of: products beginning Aug. 1	Farm per ton of seed :	Farm price per ton :	Actual margin of product 1/	value as: percent :	Crude oil value 2/	Percentage of product value attributed to -	Cake and meal Hulls Linters
		Dollars	Dollars	Dollars	Percent	Percent	Percent	Percent
1935-39 average	:	40.21	25.29	14.92	62.9	55.4	29.2	4.6
1940	.	37.80	21.72	16.08	57.5	46.6	31.6	5.3
1941	.	65.04	47.65	17.39	73.3	58.2	25.9	3.0
1942	<u>3/-</u>	Sept. . .	65.85	44.75	21.10	68.0	60.1	24.4
		Nov. . .	67.48	45.45	22.03	67.4	58.6	25.8
1943	-	Jan. . .	67.51	45.57	21.94	67.5	58.6	25.8
		Feb. . .	<u>4/</u> 67.51	45.60	21.91	67.5	58.6	25.8
		Mar. . .	67.58	45.63	21.95	67.5	58.5	25.9
		Apr. . .	67.51	45.57	21.94	67.5	58.6	25.8
		May . . .	67.47	45.54	21.93	67.5	58.6	25.8

1/ Mill product values on the basis of values reported for each season by the U. S. Bureau of the Census, interpolated and extrapolated by monthly wholesale market prices of the products.

2/ The monthly farm price is a weighted average of monthly prices received by farmers including several earlier months of farm sale to represent actual payment to farmers for seed crushed each month.

3/ Preliminary data.

4/ No quotation for cottonseed meal. January price was used.

Table 4. - Price spreads between the farmer and the consumer - food products,
May 1943

Retail commodity	Retail			Farm equivalent			Farm value
	Table No.	Unit	Price	Quantity	Value	Actual margin	as percent of retail price
	1/						
			Cents			Cents	Cents Percent
Pork products	11	1 lb. prin. pork products	31.6	1.90 lb. live hog	26.4	5.2	84
Dairy products	12	100 lb. milk equivalent	441.9	100 lb. milk equivalent	2/248.7	193.2	56
Hens	13	1 lb.	45.4	1.11 lb.	27.4	18.0	60
Eggs	14	1 doz.	50.2	1 doz	34.2	16.0	68
White flour	15	1 lb.	6.1	1.41 lb. wheat	2.9	3.2	48
White bread	16	1 lb.	8.8	.97 lb. wheat	2.0	6.8	23
Corn meal	17	1 lb.	5.6	1.5 lb. corn	2.8	2.8	50
Rolled oats	18	1 lb.	8.7	1.78 lb. oats	3.4	5.3	39
Corn flakes	19	8-oz. pkg.	6.8	1.275 lb. corn	2.4	4.4	35
Wheat cereal	20	28-oz. pkg.	23.7	2.065 lb. wheat	4.2	19.5	18
Rice	21	1 lb.	12.7	1.51 lb. rough rice	6.0	6.7	47
Navy beans	22	1 lb.	10.0	1 lb. dry beans	5.6	4.4	56
Oranges	24	1 doz.	42.2	1/17 box	16.3	25.9	39
Potatoes	25	1 lb.	6.2	1 lb.	3.2	3.0	52
Apples	35	1 lb.	12.9	1 lb.	5.0	7.9	39
Lamb products	37	1 lb. prin. lamb cuts	37.7	2.16 lb. live lamb	29.9	7.8	79
Sweetpotatoes	38	1 lb.	17.9	1 lb.	4.1	13.8	23
Rye bread	39	1 lb.	9.4	0.39 lb. rye & 0.64 lb. wheat	1.8	7.6	19
Whole wh.bread	40	1 lb.	10.2	0.92 lb. wheat	1.9	8.3	19
Macaroni	41	1 lb.	15.3	1.72 lb. durum wheat	3.4	11.9	22
Soda crackers	42	1 lb.	17.8	1.085 lb. wheat	2.2	15.6	12
Peanut butter	44	1 lb.	32.5	1.73 lb. peanuts	12.1	20.4	37
58 foods combined		Annual family consumption	\$475	Annual family consumption	\$261	\$214	\$55

1/ Table numbers refer to numbering in original 1936 report and annual supplements entitled "Price Spreads Between the Farmer and the Consumer."

2/ Preliminary.

Table 5.- Price spreads between the farmer and the consumer - food products, retail price and farm value, May 1943

Commodity	Retail Price		Percentage change to May 1943 from average 1942		Farm value		Percentage change to May 1943 from average 1942	
	Retail unit	1935-39: May	April: May 1943	May 1943: April 1942	Farm equivalent	May: April	May: April	May: April
		Cents	Cents	Cents	Cents	Cents	Cents	Cents
Pork products	1 lb. pri-a-pork products	25.3	29.7	31.6	31.6	6	0	1.90 lb. live hogs
Dairy products	100 lb. milk equiv.	324.0	398.6	442.7	441.9	+ 11	2/	100 lb. milk equiv.
Hens	1 lb.	31.7	36.1	46.4	45.4	+ 26	- 2	1.11 lb.
Eggs	1 doz.	36.0	40.9	49.9	50.2	+ 23	+ 4	1 doz.
White flour	1 lb.	4.5	5.2	6.1	6.1	+ 17	0	1.11 lb. wheat
White bread	1 lb.	8.2	8.6	8.7	8.5	+ 2	+ 1	0.97 lb. wheat
Corn meal	1 lb.	5.0	4.7	5.5	5.6	+ 19	+ 2	1.15 lb. corn
Rolled oats	1 lb.	7.4	8.6	8.9	8.7	+ 1	- 2	1.78 lb. oats
Corn flakes	16-oz. pkg.	7.8	7.0	6.8	- 6	- 3	+ 1	1.275 lb. corn
Wheat cereal	128-oz. pkg.	24.3	24.1	23.7	- 2	- 2	+ 2	2.055 lb. wheat
Rice	1 lb.	8.2	12.3	12.6	12.7	+ 3	- 1	1.51 lb. rough rice
Navy beans	1 lb.	6.9	9.0	9.9	10.0	+ 11	+ 1	1 lb. dry beans
Oranges	1 lb.	31.5	31.4	39.9	42.2	+ 34	+ 6	1 lb. box
Potatoes	1 lb.	2.5	3.5	5.3	6.2	+ 77	+ 17	1 lb.
Apples	1 lb.	5.5	7.5	10.6	12.9	+ 72	+ 22	1 lb.
Lamb products	1 lb. pri-n. lamb cuts	27.2	31.3	36.9	37.7	+ 20	+ 2	2.16 lb. live lamb
Sweetpotatoes	1 lb.	4.4	5.4	12.7	17.9	+ 231	+ 41	1 lb.
Rye bread	1 lb.	9.1	9.2	9.3	9.4	+ 2	+ 1	0.39 lb. rye & 0.64 lb. wheat
Whole wheat bread	1 lb.	9.3	9.9	10.1	10.2	+ 3	+ 1	0.92 lb. wheat
Macaroni	1 lb.	15.0	14.2	15.0	15.3	+ 8	+ 2	1.72 lb. durum wheat
Soda crackers	1 lb.	16.9	16.5	17.7	17.8	+ 8	+ 1	1.085 lb. wheat
Peanut butter	1 lb.	19.3	26.9	32.2	32.5	+ 21	+ 1	1.73 lb. peanuts
58 foods combined	Animal family	\$332	\$392	\$462	\$475	+ 21	+ 3	Animal family
	consumption							consumption
		\$141	\$202	\$261	\$261			
								0

Retail prices are 51-city averages as published by the United States Bureau of Labor Statistics - Farm values are calculated from U. S. average farm price.

1/ Revised. 2/ Less than 0.5 percent.

Table 6.— Price spreads between the farmer and the consumer - food products; margins, and farm value as percentage of retail price, May 1943

Commodity	Retail unit	Margin	Percentage			Farm value as		
			1935-39: May average: 1942	April : May 1943 : 1943	May 1942 from Cents Cents Cents	change to 1942 : 1942	Percent Percent Percent	percentage of retail value
Pork products	:1 lb. prin. pork	9.6	4.5	4.3	5.2	+ 16	+ 21	62
Dairy products	:100-lb. milk equiv.	178.0	205.7	1/191.1	2/193.2	- 6	+ 1	45
Hens	:1 lb.	15.2	15.7	19.1	18.0	+ 15	- 6	52
Eggs	:1 doz.	14.3	14.4	16.2	16.0	+ 11	- 1	60
White flour	:1 lb.	2.5	2.9	3.2	3.2	+ 10	0	44
White bread	:1 lb.	6.9	7.0	6.7	6.8	- 3	+ 1	16
Corn meal	:1 lb.	3.2	2.5	2.8	2.8	+ 12	0	36
Rolled oats	:1 lb.	5.5	5.7	5.5	5.3	- 7	- 4	26
Corn flakes	:8-oz. pkg.	6.2	5.3	4.7	4.4	- 17	- 6	21
Wheat cereal	:28-oz. pkg.	21.4	20.7	19.9	19.5	- 6	- 2	12
Rice	:1 lb.	5.7	6.3	6.7	6.7	+ 6	0	30
Navy beans	:1 lb.	3.4	4.6	4.4	4.4	- 4	0	51
Oranges	:1 doz.	22.2	23.8	26.0	25.9	+ 9	3/20	30
Potatoes	:1 lb.	1.3	1.5	2.5	3.0	+ 88	+ 30	48
Apples	:1 lb.	3.5	4.3	5.1	7.9	+ 84	+ 30	35
Lamb products	:1 lb. prin. lamb cuts	11.0	6.2	6.9	7.8	+ 26	+ 13	60
Sweetpotatoes	:1 lb.	2.9	3.5	9.4	13.8	+ 294	+ 47	34
Rye bread	:1 lb.	7.8	7.7	7.5	7.6	- 1	+ 1	14
Whole wheat bread	:1 lb.	8.0	8.4	8.2	8.3	- 1	+ 1	14
Macaroni	:1 lb.	12.7	11.5	11.6	11.9	+ 3	+ 3	15
Soda crackers	:1 lb.	15.4	14.7	15.5	15.6	+ 6	+ 1	9
Peanut butter	:1 lb.	13.2	16.0	20.1	20.4	+ 28	+ 1	32
58 foods combined	:Annual family consumption	\$191	\$150	\$201	\$214	+ 13	+ 6	42
								52
								56
								55

1/ Revised. 2/ Preliminary. 3/ Less than 0.5 percent.

Table 7.- Farm products: Indexes of prices at several levels of marketing,
1935-39 = 100

Year and month	: Cost:	Foods			Fibers			Whole :		
	: of :Retail:	:Farm	:Retail:	:Whole:	:Farm	: sale	:Farm	: of	: paid	
	: living:prices:Whole-:	:prices:prices:	:sale	:prices:prices:	: of	:cotton:all	: all	: by		
	: of : of : sale :	: of : of :	: of :	: of : of :	: cloth-:	: of :	:farm	: pro-	: farmers	
	: city: all :prices:	58	:cloth-:	: of :	:cotton:	all	: all	:ducts		
	:fa- : foods:		:foods :	:ing	:textile:	and	:wool	:pro-		
	:milies:				:pro-	:ducts	:wool	:ducts		
					:ducts :					
	: 1/	: 1/	: 2/	: 3/	: 1/	: 2/	: 4/	: 2/	: 3/	: 3/
1913	: 71	80	81	95	69	81	111	94	95	81
1914	: 72	82	82	97	70	77	97	94	95	80
1916	: 78	91	96	110	78	99	131	111	111	100
1918	: 108	134	151	174	128	193	281	195	190	141
1920	: 143	169	174	193	201	232	282	198	199	162
1929	: 122	132	126	138	115	127	167	138	137	123
1932	: 98	86	77	62	91	77	55	63	61	86
1935	: 98	100	106	98	97	100	109	104	102	100
1936	: 99	101	104	108	98	101	114	106	107	100
1937	: 103	105	108	115	103	107	111	114	114	105
1938	: 101	98	93	92	102	94	81	90	89	98
1939	: 99	95	89	89	100	98	85	86	88	97
1940	: 100	97	90	94	102	104	97	89	92	99
1941	: 105	105	105	116	106	119	131	108	115	105
1942	: 116	124	126	148	124	136	178	139	148	122
1939-Aug.		94	85	85		96	85	80	83	96
Sept.	: 101	98	95	95	100	101	91	90	92	98
	:									
1942-May	: 116	122	125	143	126	138	184	137	143	122
June	: 116	123	126	144	125	137	176	137	143	122
July	: 117	125	125	148	125	137	178	139	142	122
Aug.	: 118	126	127	152	125	137	174	140	152	122
Sept.	: 118	127	130	153	126	137	179	142	151	123
Oct.	: 119	130	131	159	126	137	182	143	156	124
Nov.	: 120	131	131	161	126	137	184	145	158	125
Dec.	: 120	133	132	166	126	137	187	150	170	125
	:									
1943-Jan.	: 121	133	133	170	126	137	189	154	174	127
Feb.	: 121	134	134	174	126	137	188	157	171	129
Mar.	: 123	137	136	182	128	137	191	148	173	129
Apr.	: 124	141	137	185	128	137	192	163	175	130
May	: 125	143	140	185	128	137	192	165	176	131

1/ From "Changes in Cost of Living" Bureau of Labor Statistics.

2/ Calculated from figures of the Bureau of Labor Statistics.

3/ Based on figures published by the United States Department of Agriculture.

4/ Cotton and wool prices weighted by production in the period 1935-39.

5/ Revised.

6/ Preliminary estimate.

Table 8 -- Indexes of food costs, consumer income and of charges and hourly earnings in marketing, 1935-39 = 100

Year and month	Retail : Non-			monthly income :: per employed			Payments: Marketing: Hourly earnings in marketing enterprises				
	58	payments	1/	farmers	of	Class I	margin	steam	Flood	Food	Cotton
	foods	1/	worker	2/	foods	foods	of	railways	processing	marketing	processing
1929	125	122	118	138	115	93	-	-	-	-	-
1935-39 average	100	100	100	100	100	100	100	100	100	100	100
1940	95	115	111	94	95	105	110	105	106	106	106
1941	103	137	116	93	106	116	116	116	117	117	119
1942	120	169	148	99	119	128	128	128	129	129	139
1942 - May	118	163	143	99	118	129	120	136	136	136	136
June	120	168	144	102	117	130	120	136	136	136	136
July	121	170	148	101	117	128	120	141	141	141	141
Aug.	121	173	152	98	117	125	120	148	148	148	148
Sept.	122	174	153	99	119	125	121	148	148	148	148
Oct.	125	178	159	99	118	130	122	148	148	148	148
Nov.	126	184	159	100	121	131	123	149	149	149	149
Dec.	127	187	183	99	120	133	122	149	149	149	149
1943 - Jan.	130	191	6/ 182	6/ 171	99	120	134	126	150	150	150
Feb.	130	194	6/ 185	174	97	123	135	127	151	151	151
Mar.	135	196	6/ 188	182	100	119	136	127	151	151	151
Apr.	139	199	7/ 192	185	105	120	136	128	151	151	151
May	143	-	185	112	-	-	-	-	-	-	-

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1/ United States Department of Commerce estimates. Adjusted for seasonal variation. Revised series.
 2/ Prepared in the Bureau of Agricultural Economics from data of the United States Bureau of Labor Statistics, adjusted for seasonal variation.

3/ Compiled from data published by the Interstate Commerce Commission.

4/ United States Bureau of Labor Statistics.

5/ Weighted composite of earnings in steam railways, food processing, wholesaling, and retailing.

Revised.

Preliminary estimates.

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